



CITY OF EUREKA

Mills Act Historic Property Tax Incentive Program

APPLICATION SUPPLEMENTAL FORM #4 Property Tax Adjustment Worksheet

Below is a simplified process for obtaining the estimated Mills Act Historic Property tax savings. Please be aware that the assessed value you determine here is an estimate only and will not necessarily be the value determined by the Assessor. The Assessor assesses the property annually using values that will likely change from year to year; therefore, the assessed property taxes may change from year to year.

		<i>Instructions</i>	<i>Value</i>	<i>Notes</i>
ANNUAL PROPERTY INCOME				
Line 1	Monthly Rental Income		\$ _____	<i>Even if the property is owner-occupied, an estimated monthly rental income is needed as a basis for this worksheet.</i>
Line 2	Annual Rental Income	<i>Multiply Line 1 by 12 (months)</i>	\$ _____	

ANNUAL OPERATING INCOME				
<i>Do not include mortgage payments or property taxes. Provide back-up documentation where applicable.</i>				
Line 3	Management		\$ _____	<i>Where applicable, include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs.</i>
Line 4	Insurance		\$ _____	<i>Fire, Liability, etc.</i>
Line 5	Utilities		\$ _____	<i>Water, Gas, Electric</i>

		Instructions	Value	Notes
Line 6	Maintenance		\$ _____	Maintenance includes: painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, and structural repairs. All costs should be recurring annually.
Line 7	Other Operating Expenses		\$ _____	Security, services, etc.
Line 8	Total Expenses	Add lines 3 through 7	\$ _____	

NET OPERATING INCOME				
Line 9	Net Total	Line 2 minus Line 8	\$ _____	

CAPITALIZATION RATE				
Line 10	Interest Rate	6.0% (for year 2005)	6.0 %	As determined by the State Board of Equalization for the specified year.
Line 11	Risk Rate	Owner occupied one-family home = 4% All other property = 2%	_____ %	
Line 12	Property Tax Rate	1%	1 %	
Line 13	Depreciation Rate	3.3%	3.3 %	
Line 14	Total Capitalization Rate	Add lines 10 through 13	_____ %	

NEW ASSESSED VALUE				
Line 15	Mills Act Assessed Value	Line 9 divided by Line 14	\$ _____	

NEW TAX ASSESSMENT				
Line 16	Current Tax		\$ _____	General tax levy only - do not include voted indebtedness or direct assessments
Line 17	Tax Under Mills Act	Line 15 times .01 (1%)	\$ _____	
Line 18	Estimated Tax Reduction	Line 16 minus Line 17	\$ _____	